

INDUSTRY UPDATE

Biweekly Period Ending January 15, 2000

Phoenix Metro Area

Manufacturing

Improved production techniques and a seasonal drop in demand will lead **Titan Motorcycle Co.** to **lay off 40 workers**, or 17 percent of its workforce, during the first quarter of 2000. Last year, Titan introduced a lower-priced motorcycle that is produced on an assembly line to compete with its high-end bike that is made entirely by hand.

Services

In the last issue of *Industry Update*, an article pointed out the recent **expansions and relocations of Internet companies into Tempe**. One company inadvertently left out of the article was **NeoPlanet Inc.**, which announced it was **moving its corporate headquarters** to the east Valley city in January. The developer of software that acts as an Internet browser, search engine, and portal, NeoPlanet expects to triple its current workforce (50) by **adding 100 employees in 2000**.

As part of expansion of its Western Region customer-service operation, **Robinsons-May Co.** will create about **100 new full- and part-time positions** and move its Valley operations to an office building at Baseline Road and 46th Street in Phoenix. Robinsons-May's call center currently employs about 200. The new positions will pay an average of \$7.50 an hour. Information is available by calling 602-337-5978.

McCord Consumer Direct, a Chicago-based travel-management business, will **open a call center in Glendale** in January. The 25,000-square-foot operation at 43rd and Olive avenues will **employ 300** when it's fully operational. McCord's one other cus-

tomers-service operation in Newport News, Va., takes 25,000 calls per day, generating about \$7 million a month in revenue.

Although primarily a direct seller of computer hardware and software, Tempe-based **Insight Enterprises Inc.** has been expanding into other areas, such as outsourcing services. Of late, Insight has been **hiring about 150 sales workers per quarter** to handle customer-service questions for various manufacturers it represents. In addition, Insight has started an Internet service provider (ISP) business in England called PlusNet.

Trade

Phoenix-based **Westcor Partners** is preparing to start work on **two major upscale shopping projects** in the **east Valley** totaling more than 600,000 square feet. Construction on a proposed 480,000-square-foot mall at the Price Freeway and Chandler Boulevard in Chandler could begin as early as March and open in October 2001. Currently named **Chandler Fashion Center**, it would house 150 businesses, three department stores (including the metro area's second Nordstrom), and a movie complex. About 15 miles to the north, Westcor is currently lining up tenants for a 140,000-square-foot shopping center at Scottsdale and Doubletree Ranch roads. The development, called **Shops at Gainey Village**, will feature a mix of high-end retail specialty stores and restaurants.

Tucson Metro Area

Manufacturing

To dramatically cut costs, **Weiser Lock** will **shift its production operation from Tucson to Nogales, Mexico**, by the end of 2000.

About **two-thirds of the company's 725 workers will lose their jobs**, while the other third — administrative, sales, and distribution personnel — will remain in Tucson. The average production worker at Weiser's operation in Mexico will make about one-third as much (\$2.20 vs. \$6.60 an hour) as similar workers in Tucson.

Construction

Tucson voters in November approved a 62-acre downtown revitalization project called **Rio Nuevo**. The **\$320 million arts and entertainment development** will use a mix of state sales taxes and private funding to build over 10 years an International Visitors & Trade Center, the Sonoran Sea Aquarium, a new hotel, and an IMAX theater. In addition, Rio Nuevo will re-create the Mission San Agustín Cultural Center & Settlement Area, as well as provide opportunities for mixed-use space, a community plaza, and a museum complex.

Miscellaneous

Between 300,000 and 450,000 square feet of space will be added to **The University of Arizona Science and Technology Park** at Interstate 10 and Rita Road. Currently, 20 high-tech companies and about 6,000 employees occupy the 2 million-square-foot industrial park. The additional space could be filled immediately if it was currently available, said an official of the tech complex. On a somewhat related note, Tucson Mayor Bob Walkup pledged to **bring 10,000 aerospace jobs** (paying between \$16 and \$18 an hour) **to Tucson within the next four years**. The city did not get off to a good start when a Swiss Air subsidiary recently chose to locate its operations in Los Angeles — thanks to \$500 million in incentives — instead of in the former Lockheed Martin hangar at Tucson International Airport. But the Tucson Airport Authority is predicting it will land a tenant in the near future that will employ about 500 aerospace workers, with the potential of adding another 500 within one to two years.

Balance of State

Construction

While the major metro areas of the state had record-setting years (in 1998 and '99) in terms of new and resale homes, the rural areas have been no slouches. One example: the **Chaparral Pines and Rim Golf Club subdivisions in Payson**. Propelled by beautiful views and highly-rated golf courses, the 632-acre Chaparral Pines sold 87 lots and started construction on 220 homes in '99, while 107 of 317 home sites on the slightly smaller Rim Golf Club subdivision have been sold in its two-year existence.

Services

Competition for building **private prisons** in Arizona is heating up, particularly among rural cities and towns that need job opportunities. For example, Alternative Programs Inc. of Bakersfield is competing with Dominion Venture Group L.L.C. of Edmond, Okla., to build a prison for land-starved Hawaii. Alternative Programs wants to **build a 2,250-bed medium-security prison near Interstate 40**, 14 miles southwest of Kingman. Dominion is proposing to build a **2,000-bed facility in San Luis**, 25 miles south of Yuma on the border of Mexico.

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